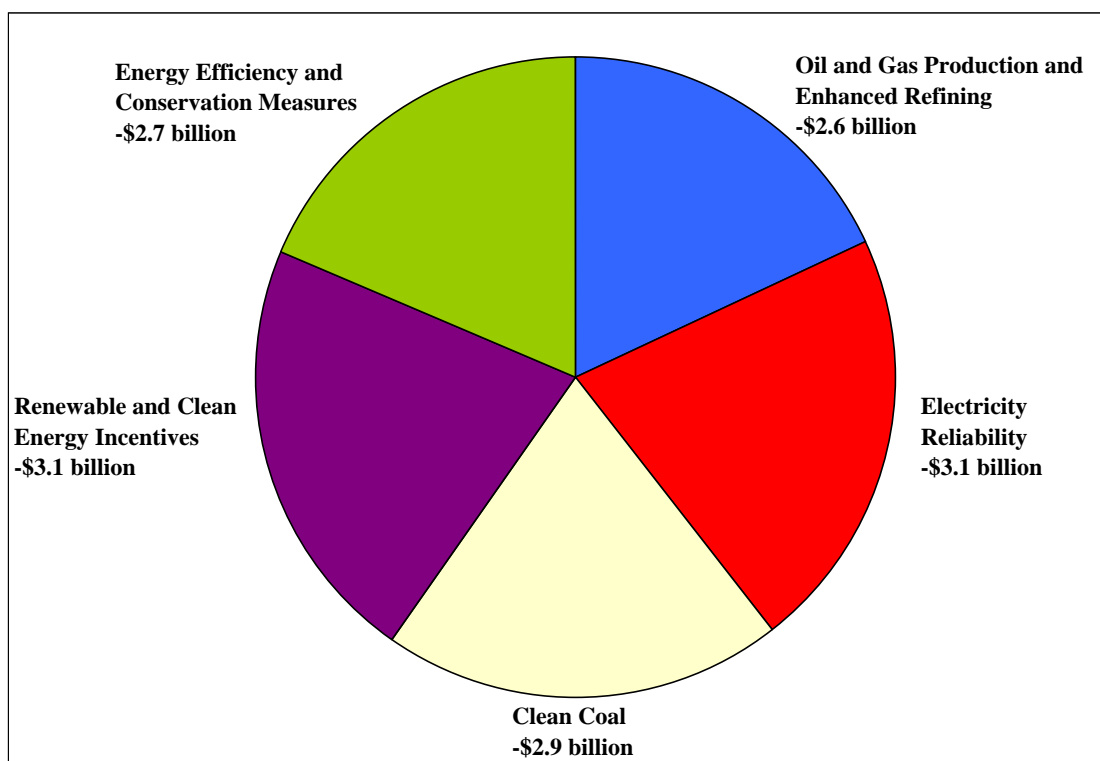


HR.6 – Energy Tax Incentives Act of 2005

This balanced package includes \$14.5 billion in tax incentives over 10 years to improve energy production, transportation and efficiency.

Energy Tax Incentives in H.R. 6
Fiscal Years 2005 – 2015



House Ways & Means Committee

Energy Tax Incentives in HR.6
Fiscal Years 2005-2015, in Millions of Dollars

Renewable and Clean Energy Incentives

- Extension and expansion of renewable electricity production credit (sec. 45) -2,747
- Clean renewable energy bonds -411

Total Renewable and Clean Energy Incentives **-3,158**

Electricity Reliability

- Transmission property treated as 15-year property -1,239
- Nuclear decommissioning -1,293
- Treatment of electric cooperative income (85/15 test) -277
- Sales of electricity transmission property to implement restructuring 19
- Production tax credit for nuclear power facilities -278
- Five-year NOL for electric transmission equipment -411

Total Electricity Reliability **-3,120**

Clean Coal

• Credit for investment in clean coal facilities	-1,612
• 84-month amortization for pollution control facilities	-1,147
• Modification of credit for producing fuel from nonconventional sources	-88
• Production tax credit for facilities producing coke or coke gas	<u>-411</u>
Total Clean Coal	-2,948

Energy Efficiency and Conservation Measures

• Alternative technology vehicle credits	-847
• Credit for installing alternative fuel refueling property	-71
• Sunset deduction for clean-fuel vehicles and refueling property	2
• Energy equivalent tax rate for diesel-water emulsions	negligible
• Extend biodiesel tax incentives and expand to renewable diesel	-194
• Small producer credits for biodiesel and ethanol	-181
• Residential energy efficient property purchases	-31
• Business installation of fuel cells, microturbines, and solar property	-246
• Energy efficient existing homes	-556
• Energy efficient new homes	-28
• Energy efficient commercial buildings	-243
• Energy efficient appliances	-180
• Research and development credit for energy research	-92
• Studies: Recycling & National Sciences Academy	<u>0</u>
Total Energy Efficiency and Conservation Measures	-2,694

Oil and Gas Production and Enhanced Refining

• Natural gas distribution lines treated as 15-property	-1,019
• Geological and geophysical expenditures amortized over two years	-974
• Expensing for refinery investments	-406
• Definition of small refiner for purposes of oil depletion deduction	-158
• Arbitrage rules not to apply to prepayment for natural gas	-53
• Natural gas gathering pipelines treated as 7-year property	-16
• Cooperative pass through of expensing for low sulfur compliance	<u>-7</u>
Total Oil and Gas Production and Enhanced Refining	-2,633

TOTAL ENERGY TAX INCENTIVES **-14,553**

Others Provisions

• Extension of Oil Spill Liability Trust Fund tax	2,508
• Extension of Leaking Underground Storage Tank Trust Fund tax	349
• Section 197 modification	171
• Clarification of tire excise tax	<u>negligible</u>
Total Other Provisions	3,028

NET ENERGY INCENTIVES **-11,525**